

7587--A

I N S E N A T E

January 26, 2018

Introduced by Sens. HANNON, SEWARD, LARKIN, SERINO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to returning to policy holders any money an insurer realizes due to the tax cuts and jobs act of 2017

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraph 1 of subsection (e) of section 3231 of the insur-
2 ance law, as amended by chapter 107 of the laws of 2010, is amended by
3 adding a new subparagraph (C) to read as follows:

4 (C) IN DETERMINING WHETHER A RATE FILING OR APPLICATION REGARDING A
5 POLICY FORM SUBJECT TO THIS SUBSECTION SHALL BECOME EFFECTIVE AS FILED,
6 MODIFIED, OR DISAPPROVED, THE SUPERINTENDENT SHALL TAKE INTO ACCOUNT THE
7 PROSPECTIVE IMPACT OF A REDUCTION IN INCOME TAX WHICH IS A DIRECT RESULT
8 OF THE FEDERAL TAX CUTS AND JOBS ACT OF TWO THOUSAND SEVENTEEN ON EARN-
9 INGS THAT ARE SPECIFICALLY ATTRIBUTABLE TO THE POLICY FORM THAT IS THE
10 SUBJECT OF THE RATE FILING. PROVIDED, HOWEVER, UNDER NO CIRCUMSTANCES
11 SHALL SUCH CONSIDERATION RESULT IN AN APPROVED RATE WHICH IS NOT ACTUAR-
12 IALLY SOUND OR RESULT IN A PROJECTED INSUFFICIENT MARGIN FOR THE UNDER-
13 LYING RISK FOR SUCH POLICY FORM.

14 S 2. Subsection (c) of section 4308 of the insurance law is amended by
15 adding a new paragraph 5 to read as follows:

16 (5) IN DETERMINING WHETHER A RATE FILING OR APPLICATION REGARDING A
17 CONTRACT SUBJECT TO THIS SUBSECTION SHALL BECOME EFFECTIVE AS FILED,
18 MODIFIED, OR DISAPPROVED, THE SUPERINTENDENT SHALL TAKE INTO ACCOUNT THE
19 PROSPECTIVE IMPACT OF A REDUCTION IN INCOME TAX WHICH IS A DIRECT RESULT
20 OF THE FEDERAL TAX CUTS AND JOBS ACT OF TWO THOUSAND SEVENTEEN ON EARN-
21 INGS THAT ARE SPECIFICALLY ATTRIBUTABLE TO THE CONTRACT THAT IS THE
22 SUBJECT OF THE RATE FILING. PROVIDED, HOWEVER, UNDER NO CIRCUMSTANCES
23 SHALL SUCH CONSIDERATION RESULT IN AN APPROVED RATE WHICH IS NOT ACTUAR-
24 IALLY SOUND OR RESULT IN A PROJECTED INSUFFICIENT MARGIN FOR THE UNDER-
25 LYING RISK FOR SUCH POLICY FORM.

26 S 3. This act shall take effect immediately and shall apply to rate
27 filings submitted for coverage in effect on or after January 1, 2019.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.